

By: Lucio

S.B. No. 647

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the purposes of and income eligibility limits for
3 participation in programs offered by the Texas State Affordable
4 Housing Corporation.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 2306.551, Government Code, is amended to
7 read as follows:

8 Sec. 2306.551. DEFINITIONS [~~DEFINITION~~]. In this
9 subchapter:

10 (1) "Corporation" [~~,"corporation"~~] means the Texas
11 State Affordable Housing Corporation.

12 (2) "Economic development opportunities" means
13 financing activities that:

14 (A) maintain or increase employment in an area of
15 high unemployment or an area with a concentration of low-income to
16 moderate-income households;

17 (B) constitute activities that would not
18 otherwise occur in the area in the absence of economic development;

19 (C) support the public purposes of the
20 corporation described by Section 2306.553; and

21 (D) do not limit, impair, or conflict with the
22 public purposes or activities of the Texas Economic Development and
23 Tourism Office established under Chapter 481, including duties,
24 powers, or purposes relating to the:

- 1 (i) Texas Economic Development Corporation
2 established under Section 481.024;
- 3 (ii) capital access fund established under
4 Section 481.402; and
- 5 (iii) capital access program established
6 under Section 481.405.

7 SECTION 2. Section 2306.553, Government Code, is amended to
8 read as follows:

9 Sec. 2306.553. PURPOSES. (a) The public purpose of the
10 corporation is to perform activities and services that the
11 corporation's board of directors determines will promote the public
12 health, safety, and welfare through the provision of adequate,
13 safe, and sanitary housing and economic development opportunities
14 primarily for individuals and families of low to moderate [~~very~~
15 ~~low, and extremely low~~] income and for persons who are eligible for
16 loans under the home loan program provided by Section 2306.5621.
17 The activities and services shall include engaging in mortgage
18 banking activities and lending transactions and acquiring,
19 holding, selling, or leasing real or personal property.

20 (b) The corporation's primary public purpose is to
21 facilitate the provision of housing by issuing qualified 501(c)(3)
22 bonds and qualified residential rental project bonds and by making
23 affordable loans to individuals and families of low to moderate [~~very~~
24 ~~low, and extremely low~~] income and to persons who are eligible
25 for loans under the home loan program provided by Section
26 2306.5621.

27 (b-1) The corporation may make first lien, single family

1 purchase money mortgage loans for single family homes only to
2 individuals and families of low to moderate [~~, very low, and~~
3 ~~extremely low~~] income [~~if the individual's or family's household~~
4 ~~income is not more than the greater of 60 percent of the median~~
5 ~~income for the state, as defined by the United States Department of~~
6 ~~Housing and Urban Development, or 60 percent of the area median~~
7 ~~family income, adjusted for family size, as defined by that~~
8 ~~department~~].

9 (b-2) The corporation may make loans for multifamily
10 developments if:

11 (1) at least 40 percent of the units in a multifamily
12 development are affordable to individuals and families with incomes
13 at or below 60 percent of the median family income, adjusted for
14 family size; or

15 (2) at least 20 percent of the units in a multifamily
16 development are affordable to individuals and families with incomes
17 at or below 50 percent of the median family income, adjusted for
18 family size.

19 (c) To the extent reasonably practicable, the corporation
20 shall use the services of banks, community banks, savings banks,
21 thrifts, savings and loan associations, private mortgage
22 companies, nonprofit organizations, and other lenders for the
23 origination of all loans contemplated by this subchapter and assist
24 the lenders in providing credit primarily to individuals and
25 families of low to moderate [~~, very low, and extremely low~~] income.

26 SECTION 3. Section 2306.555(d), Government Code, is amended
27 to read as follows:

1 (d) All of the mortgage banking operations shall be
2 dedicated to the furtherance of facilitating affordable housing
3 finance primarily for the benefit of individuals and families of
4 low to moderate [~~, very low, and extremely low~~] income who,
5 generally, are not afforded housing finance options through
6 conventional lending channels.

7 SECTION 4. Section [2306.5552](#), Government Code, is amended
8 to read as follows:

9 Sec. 2306.5552. TECHNICAL AND FINANCIAL ASSISTANCE
10 PROVIDED TO NONPROFIT ORGANIZATIONS. The corporation shall
11 supplement the technical and financial capacity of other
12 appropriate nonprofit organizations to provide for the multifamily
13 and single-family housing needs of individuals and families of low
14 to moderate [~~, very low, and extremely low~~] income.

15 SECTION 5. This Act takes effect September 1, 2019.